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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 8, 2008

Mr. Kay Christofferson, Exec Vice President
Sunroc Corporation
525 West Arrowhead Trail
Spanish Fork, Utah 84639

Re: Escalation of Reclamation Surety to the Year 2012, Sunroc Corporation, Levan Chicken Creek Mine, M0230016, Juab County, Utah

Dear Mr. Christofferson:

The Division has escalated the surety amount of \$269,100.00 in 2007 dollars, to the year 2012. The escalation rate is 3.2%, resulting in a surety requirement of \$315,000.00. This increased amount is based on escalation only.

In addition to the increased surety, a new reclamation contract is required. Please contact surety coordinator, Mr. Jed Pearson, 801-538-5382, for instructions on how to submit the increase of \$45,900.00 and the new reclamation contract.

This surety amount and reclamation contract is due by June 8, 2008.

In addition, the Division would like to meet with you and evaluate the progress on the Intention to Conduct Mining Operations (NOI) at the Chicken Creek site. Please contact Ms. Leslie Heppler (801) 538-5257 or Ms. Beth Ericksen (801) 538-5318 to arrange the meeting by May 30, 2008.

If you have any questions concerning this letter, please contact either of the above named staff.

Sincerely,

Susan M. White
Mining Coordinator
Minerals Regulatory Program

SMW:BE:pb

cc: Jed Pearson
Beth Ericksen
Leslie Heppler

TONY CHRISTOFFERSON tchristofferson@clydeinc.com

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